

1 Stephen D. Finestone (125675)  
2 Jennifer C. Hayes (197252)  
3 Ryan A. Witthans (301432)  
4 FINESTONE HAYES LLP  
5 456 Montgomery Street, 20<sup>th</sup> Floor  
6 San Francisco, California 94104  
7 Telephone: (415) 616-0466  
8 Facsimile: (415) 398-2820  
9 sfinestone@fhlawllp.com  
10 jhayes@fhlawllp.com  
11 rwitthans@fhlawllp.com

7 Attorneys for Creditor  
Roebbelin Contracting, Inc.

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

12 In re Case No. 19-30088-DM  
13 PG&E CORPORATION, Chapter 11  
14 Debtor-in-Possession.

16 In re  
17 PACIFIC GAS AND ELECTRIC  
18 COMPANY,  
Debtor-in-Possession.

Case No. 19-50089-DM  
Chapter 11  
**ROEBBELEN CONT'N  
OBJECTION TO CON**

**ROEBBELEN CONTRACTING, INC.'S  
OBJECTION TO CONFIRMATION OF  
DEBTORS' PLAN OF  
REORGANIZATION**

Date: May 27, 2020  
Time: 10:00 a.m.  
Ctrm: 450 Golden Gate Ave., 16<sup>th</sup> Floor  
San Francisco, CA 94102

24 Roebbelan Contracting, Inc. (“Roebbelan”) hereby objects to confirmation of Debtors’  
25 Plan of Reorganization (the “Plan”) (ECF 6320) and states as follows:

26 1. Roebbelan is a California general contractor specializing in building construction  
27 and construction management. It performed work for PG&E and continues to do so, unrelated to  
28 vegetation management or fire prevention.

1           2.       Roebbelan filed an initial proof of claim, followed by an amended proof of claim.  
2       The amended proof of claim lists a debt of \$20,783,500.46 (the “Roebbelan Claim”). A portion  
3       of the Roebbelan claim is secured pursuant to various notices of mechanics liens filed pursuant to  
4       Bankruptcy Code Section 546(b)(2). (See, e.g. ECF 3858).

5           3.       At the time it filed its amended claim, on or about December 10, 2019, the secured  
6       portion of the Roebbelan Claim was approximately \$3,780,000. As such, the Roebbelan Claim is  
7       subject to treatment under the Plan as a Utility Other Secured Claims – Class 1B, and as a Utility  
8       General Unsecured Claim – Class 4B. The Plan lists both claims as unimpaired and Roebbelan  
9       has accordingly not voted on the Plan.

10          4.       This objection is limited to Roebbelan’s treatment as a Class 1B secured creditor  
11       pursuant to Section 4.16 of the Plan. Roebbelan’s objection is based upon the fact that absent  
12       certain clarifications or changes, the Plan does not provide Roebbelan with unimpaired treatment.  
13       The provision in question provides in relevant part:

14          **4.16 Class 1B – Utility Other Secured Claims.**

15           (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
16       any Allowed Utility Other Secured Claim, except to the extent that the Debtors or  
17       Reorganized Debtors, as applicable, and a holder of an Allowed Utility Other Secured  
18       Claim agree to a less favorable treatment of such Claim, each holder of an Allowed Utility  
19       Other Secured Claim shall, at the option of the Debtors or Reorganized Debtors, (i) retain  
20       its Utility Other Secured Claim and the Collateral securing such Claim; (ii) receive Cash  
21       in an amount equal to such Allowed Claim, including the payment of any interest due and  
22       payable under section 506(b) of the Bankruptcy Code, on the Effective Date or as soon as  
23       reasonably practicable thereafter; or (iii) receive treatment of such Allowed Utility Other  
24       Secured Claim in any other manner that is necessary to satisfy the requirements  
25       of section 1124 of the Bankruptcy Code. In the event a Utility Other Secured Claim is  
26       treated under clause (ii) of this Section 4.16(a), the Liens securing such Other Secured  
27       Claim shall be deemed released immediately upon payment.

28          5.       The three options for the Debtors can be summarized as: i) allowing the creditor to  
29       retain its lien against Debtors’ collateral; ii) paying the creditor on the Effective Date or as soon  
30       as is practical thereafter; or iii) any other treatment that does not impair the creditor.

1       6.     Roebbelan objects to the first option because it does not make clear that the  
2 creditor would be entitled to exercise its state law remedies along with the retention of its secured  
3 claim. Unless Roebbelan can exercise its rights against the collateral, those rights are impaired.

4       7.     Roebbelan objects to the second option because, while it specifies that the creditor  
5 will receive interest pursuant to Section 506(b), it does not mention attorneys' fees, which a  
6 creditor is also entitled to recover under Section 506(b). By excluding a mention of attorneys'  
7 fees, the Plan could be construed to limit recovery to interest, which interpretation would render  
8 the creditor impaired.

9       8.     Roebbelan also objects to the second option because it fails to specify the interest  
10 rate to which the creditor is entitled. Roebbelan believes the creditor is entitled to interest  
11 pursuant to its contract with PG&E. It may be that the Plan intends for the Class 1B creditor to  
12 receive interest at its contract rate, but the Plan is ambiguous in this respect. Unless the creditor  
13 receives contract rate interest, it would be impaired. Moreover, with respect to the timing of the  
14 payment, the Plan should specify a time limit for the phrase "as soon as reasonably practical".  
15 Roebbelan suggests 30 days as an appropriate limitation.

16       9.     Roebbelan objects to the third option because it is hopelessly vague and could lead  
17 to future disputes over whether some alternative manner proposed by Debtors, which is not  
18 described, impairs the creditor's claim.

19       10.    Roebbelan met and conferred with Debtors prior to filing this objection (see  
20 accompanying Declaration of Stephen D. Finestone). Roebbelan requested either amendments to  
21 the Plan or a written acknowledgment to clarify the items and make the changes discussed above.  
22 As of the time of filing of this objection, Roebbelan has not heard back from the Debtors.

23       11.    Pasted below is a redlined version of Section 4.16 that would satisfy Roebbelan's  
24 objections:

25       **4.16 Class 1B – Utility Other Secured Claims.**

26       (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
27 any Allowed Utility Other Secured Claim, except to the extent that the Debtors or  
28 Reorganized Debtors, as applicable, and a holder of an Allowed Utility Other Secured  
Claim agree to a less favorable treatment of such Claim, each holder of an Allowed Utility

1 Other Secured Claim shall, at the option of the Debtors or Reorganized Debtors, (i) retain  
2 its Utility Other Secured Claim and the Collateral securing such Claim, and retain its state  
law rights to enforce the claim against the Collateral; or (ii) receive Cash in an amount  
3 equal to such Allowed Claim, including the payment of any interest due under the contract  
between Debtors and the creditor and reasonable attorneys' fees and payable under section  
4 506(b) of the Bankruptcy Code, on the Effective Date or as soon as reasonably practicable  
thereafter, but not later than 30 days from the Effective Date; or (iii) receive treatment of  
5 such Allowed Utility Other Secured Claim in any other manner that is necessary to satisfy  
the requirement of section 1124 of the Bankruptcy Code. In the event a Utility Other  
6 Secured Claim is treated under clause (ii) of this Section 4.16(a), the Liens securing such  
7 Other Secured Claim shall be deemed released immediately upon payment.

8  
9 Wherefore, Roebbelin requests that the Court deny confirmation of the Plan unless the  
10 changes proposed above to Section 4.16 are adopted.

11 Dated: May 15, 2020

FINESTONE HAYES LLP

12  
13 /s/ Stephen D. Finestone  
14 Stephen D. Finestone  
15 Attorneys for Creditor  
16 Roebbelin Contracting, Inc.  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28